



WILLIAM T FUJIOKA  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

November 20, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NO. 3 TO LEASE NO. 62399  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
2525 CORPORATE PLACE, MONTEREY PARK  
(FIRST DISTRICT) (3 VOTES)**

**SUBJECT**

The recommendation is to renew the lease for the Department of Children and Family Services, located at 2525 Corporate Place, Monterey Park.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the lease amendment is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, on November 17, 1987, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Chairman to sign the amendment for a seven-year lease renewal with Eastgroup Properties LLP, located at 2525 Corporate Place, Monterey Park, for the continued occupancy of 29,542 square feet of office space and 122 parking spaces for the Department of Children and Family Services at an annual first year rent not to exceed \$726,733, which is approximately 70 percent funded through Federal and State subvention and 30 percent net County cost.

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
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Third District

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Fifth District

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## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Department of Children and Family Services (DCFS) has occupied 29,542 square feet of office space at this DCFS regional office complex located at 2525 Corporate Place, Monterey Park, since January 2003. The regional office houses approximately 188 staff providing adoption, revenue enhancement, and collaborative support services. This regional office enables DCFS to provide a comprehensive, full service, direct child protective system directed to the safety of children in their care within this service area. The lease will expire on January 31, 2013, and this proposed lease amendment will extend the term of the lease for an additional seven years.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County of Los Angeles (County) operations to support the timely delivery of customer-oriented and efficient public services. In this case, the County is supporting this goal by providing an office that will continue to co-locate, streamline, and improve support services and at the same time support fiscal sustainability through savings from rent and workplace improvements. This proposed lease amendment complies with the Strategic Asset Management Principles, as shown in Attachment A.

## **FISCAL IMPACT/FINANCING**

The cost for the first year rent of this lease amendment shall not exceed \$726,733 based on the terms and conditions of the lease. The program is approximately 30 percent net County cost.

<b>2525 CORPORATE PL</b>	<b>EXISTING LEASE NO. 62399</b>	<b>LEASE RENEWAL</b>	<b>CHANGE</b>
Area	29,542 square feet office space	29,542 square feet office space	None
Term	02/01/2003 – 01/31/2013	02/01/2013 – 1/31/2020	+ 7 years
Annual Base Rent	\$847,566	\$726,733	-\$120,833
Parking	122 spaces	122 spaces	None
Cancellation	County may cancel one time in November 2009, through March 2010, upon 90 days prior written notice	County may cancel any time after 60 <sup>th</sup> month with reimbursement of approximately \$173,000 of unamortized tenant improvements (TIs)	County may cancel any time after 60 <sup>th</sup> month with reimbursement of approximately \$173,000 of unamortized TIs
Option to Renew	None	One 7-year term	One 7-year term
Rental Adjustment	Consumer Price Index (CPI) capped at 3 percent maximum and 2.5 percent minimum of base rent annually	CPI capped at 3 percent maximum and 2.5 percent minimum of new base rent annually	Adjusted annually under new lower base rent

Sufficient funding for the proposed lease amendment is included in the Fiscal Year 2012-13 Rent Expense budget and will be charged back to DCFS.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed amendment provides for approximately 29,542 rentable square feet of office space located at 2525 Corporate Place, Monterey Park. The lease amendment contains the following provisions:

- The lease term begins on February 1, 2013, and ends seven years thereafter.
- The Lessor is providing tenant improvements including carpeting, painting, and cleaning of the modular furniture at its sole cost.
- The Lessor pays all utilities, provides interior and exterior maintenance, and janitorial services and supplies.
- The County has the right to cancel any time after the 60<sup>th</sup> month by giving 270 days prior written notice and is responsible for reimbursement of approximately \$173,000 in TIs, amortized at 9 percent over the seven-year term.

The Chief Executive Office (CEO) Real Estate staff surveyed for alternative sites as requested by DCFS. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically. Additionally, CEO Real Estate staff surveyed areas that best could service the need of the department to determine the market rate of comparable sites. Based upon said survey, staff has established that the base rental range including parking for similar property is between \$26 and \$28 per square foot per year full service. Thus, the base annual rent of \$24.60 per square foot for the base lease cost is below the market range. Attachment B shows County-owned and leased facilities within the search area for these programs and none are available to house these programs.

The Department of Public Works previously inspected this facility for seismic compliance and concluded the facility met the requirements for County occupancy.

An Americans with Disabilities Act (ADA) assessment was conducted and minor corrections are being completed by the Lessor and DCFS to make the Premises ADA compliant.

The Honorable Board of Supervisors  
November 20, 2012  
Page 4

**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT**

The CEO has concluded that this project is exempt from California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease renewal will provide the necessary office space for this County requirement. DCFS concurs with the proposed lease renewal.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors return two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division, 222 South Hill Street, Los Angeles, CA 90012.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:CMM  
CEM:TS:ns

Attachments

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Children and Family Services

BL 2525 corporate place dcfs

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**  
**2525 CORPORATE PLACE, MONTEREY PARK**  
**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions?			X
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			X
	C	Does this lease centralize business support functions? <sup>2</sup>			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>Based on the layout of work stations and conference rooms the space represents approximately 158 square feet per person.</b>		X	
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program? <b>DCFS space is 70.29 percent state and federal subvention funded and 29.77 percent NCC.</b>	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?	X		
	G	Was build-to-suit or capital project considered?		X	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?			X
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u>X</u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup>	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?	X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**DEPARTMENT CHILDREN AND FAMILY SERVICES  
WITHIN 5 MILES OF DCFS' CORPORATE PLACE BUILDING**

Laco	Name	Address	Gross SQFT	Net SQFT	Ownership	SQFT Available
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	75,180	67,662	LEASED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39,015	24,288	FINANCED	NONE
5863	ISD-ADMINISTRATIVE HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80,309	58,578	OWNED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37,742	28,973	FINANCED	NONE
T039	SHERIFF-EASTERN COMPLEX FLEET SERVICES OFFICE	1104 N EASTERN AVE, LOS ANGELES 90063	1,548	1,428	OWNED	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4,960	4,638	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8,007	6,984	OWNED	NONE
4231	BISCAILUZ-TRAINING/INTELLIGENCE FACILITY	1060 N EASTERN AVE, LOS ANGELES 90063	1,660	1,372	OWNED	NONE
4526	BISCAILUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16,571	11,428	OWNED	NONE
A324	FIRE-EMPLOYEE RELATIONS OFFICE	1255 CORPORATE CENTER DR, MONTEREY PARK 91754	3,079	2,925	LEASED	NONE
A023	LASD/FIRE/OPS/ISD CORPORATE PLACE	2525 CORPORATE PL, MONTEREY PARK 91754	43,764	29,712	LEASED	NONE
Y136	CENTRO MARAVILLA SERVICE CENTER-BLDG C	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	4,073	3,112	OWNED	NONE
X707	PUBLIC LIBRARY-ANTHONY QUINN LIBRARY	3965 E CESAR E CHAVEZ AVE, CITY TERRACE 90063	7,275	6,077	OWNED	NONE
Y135	CENTRO MARAVILLA SERVICE CENTER-BLDG B	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	3,612	1,948	OWNED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28,514	20,597	OWNED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142,448	79,494	OWNED	NONE
3102	JUVENILE HALL-ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75,907	33,945	OWNED	NONE
4799	PW CENTRAL YARD-DIVISION ADMINISTRATION	1525 ALCAZAR ST, LOS ANGELES 90033	10,438	7,224	OWNED	NONE
A471	THE ALHAMBRA COMPLEX - EAST TOWER	1000 S FREMONT AVE, ALHAMBRA 91803	385,519	325,138	LEASED	NONE
A473	THE ALHAMBRA COMPLEX - SHERIFF'S OMBUDSMAN	1000 S FREMONT AVE, ALHAMBRA 91803	3,774	3,265	LEASED	NONE

AMENDMENT NO. 3 TO LEASE NO. 62399  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
2525 CORPORATE PLACE, MONTEREY PARK

This Amendment No. 3 to Lease No. 62399 ("Amendment") is made and entered into effective as of this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between EASTGROUP PROPERTIES, LP ("Lessor"), and the COUNTY OF LOS ANGELES, a body politic and corporate ("Lessee").

WHEREAS, Lessor, as owner of the property located at 2525 Corporate Place, Monterey Park, California ("Property"), and Lessee entered into that certain Lease and Agreement No. 62399 dated January 2, 1990, as amended by that certain Amendment No. 1 to Lease No. 62399 dated October 17, 2000, and that certain Amendment No. 2 to Lease No. 62399 dated July 16, 2002 (together, the "Lease") for approximately 29,542 gross square feet of office space located in the northeast portion of the first floor of the Property known as Suite 150 (the "Premises") for use by the Department of Children and Family Services and which is scheduled to expire January 31, 2013; and

WHEREAS, Lessor and Lessee desire to further amend the Lease upon and subject to the terms and conditions set forth in this Amendment.

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein contained, and intended to be legally bound, Lessor and Lessee hereby covenant and agree the following amendments are effective upon the date above written:

1. TERM. Paragraph 2 of the Lease entitled "Term" is amended to provide that the term of the Lease will expire January 31, 2020.

2. RENT. Paragraph 3 of the Lease entitled "Rent" is deleted in its entirety and in its place shall be substituted the following:

"Commencing February 1, 2013, Lessee shall pay monthly rent for the Premises in the amount of \$60,561.10 per month, or \$2.05 per square foot, ("Base Rent"). All Base Rent payable under this Lease, as amended, shall be subject to the adjustments described in Paragraph 6 of Amendment No. 2, with the exception that the 2.5% minimum and 3% maximum increases shall be based upon the initial Base Rent of this extension Term (\$60,561.10), and shall be due and payable without demand on or before the first day of each calendar month, except that Base Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. Lessor shall file a Payment Voucher annually therefore, during the month of June, with the Auditor of the County of Los Angeles (the "County")."

3. USE. Paragraph 4 of the Lease entitled "Use" is hereby deleted in its entirety and in its place shall be substituted the following:

"Lessor hereby agrees that the Premises together with the appurtenance thereto belonging or in any wise appertaining, shall be used by Lessee as office space or for any other lawful uses not incompatible with other uses in the Building."

4. CANCELLATION. Paragraph 5 of the Lease entitled "Cancellation" is hereby deleted in its entirety and in its place shall be substituted the following:

"Lessee shall have a right to cancel the Lease effective at the end of any month after January 31, 2018. Lessee must give Lessor not less than two hundred seventy (270) days prior written notice of its intent to cancel and is responsible for reimbursement of any unamortized tenant improvements amortized at nine (9%) percent over the seven (7) year term of the Lease."

5. TENANT IMPROVEMENTS. Paragraph 25 of the Lease shall be deleted and in its place shall be substituted the following:

"25. Alteration and Preparation of Premises. Lessor will cause, at its sole cost and expense, to be constructed at the Premises, interior and exterior improvements, to be completed within one hundred eighty (180) days of the Commencement Date as follows:

Replace Carpet throughout the Premises with carpet tile, per Lessee's specification, installation includes lifting all modular furniture and file cabinets as needed, during installation, and include a contract for vendor to clean annually throughout the lease term all carpet areas.

Paint all interior walls within the Premises, including hallways, restrooms, conference rooms, and lunch/ break rooms, and existing hollow metal door frames, per list provided by Lessee. Refinish wood entry doors as needed. Lessor is not responsible to move and paint behind modular panels and or attached furniture.

Provide modular furniture panel cleaning, one time, throughout the entire Premises by a vendor approved by the Lessee.


Any expenditures by the Lessor, even if it benefits the Lessee, shall not be recovered by the Lessor, who shall solely bear the risk of loss for incurring such liabilities."

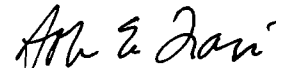
6. Except as expressly amended and modified herein, all terms, covenants and conditions of the Lease shall remain unchanged and in full force and effect; and the Lease, as herein amended and modified, is hereby ratified and confirmed. Any further modification of the Lease shall require the express written approval of all parties.

IN WITNESS WHEREOF, the Lessor has executed this Amendment or caused it to be executed, and the County of Los Angeles by order of its Board of Supervisors, has caused this Amendment to be executed on its behalf by the Chairman of said Board and attested by the Clerk thereof the day, month, and year first above written.

LESSOR  
EASTGROUP PROPERTIES, L.P.,  
a Delaware limited partnership

By EastGroup Properties General Partners, Inc.,  
A Delaware corporation, its general partner

By:   
William D. Petsas  
Senior Vice President

By:   
John E. Travis  
Vice President

ATTESTED:

SACHI A. HAMAI  
Executive Officer-Clerk  
of the Board of Supervisors

Deputy

LESSEE  
COUNTY OF LOS ANGELES

By \_\_\_\_\_

Chairman, Board of Supervisors

APPROVED AS TO FORM:  
JOHN F. KRATTLI  
COUNTY COUNSEL

By:   
Deputy, County Counsel